

GROWTH SECURITIES (PRIVATE) LIMITED
UNAUDITED 3RD QUARTER FINANCIAL STATEMENTS
AS AT March 31, 2021



GROWTH SECURITIES (PVT) LTD.

Room # 82 83, Second Floor, Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.

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Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

DIRECTORS REPORT TO THE SHAREHOLDERS FOR THE HALF YEAR ENDED March 31, 2021

Your Directors are pleased to place before you 3rd Quarter Report along with the un audited accounts of the company for the half year ended March 31, 2021. The working results of the company for the said period are given as under:

Total Income	Rs. 206,144,053
Operating expenses	<u>Rs (35,525,514)</u>
Profit before taxation	Rs. 170,618,539
Taxation	<u>Rs (805,769)</u>
Profit after taxation	Rs. 169,812,771

On behalf of the board
For Growth Securities (Private) Ltd.

Chief Executive Officer
Mohammad Shahid

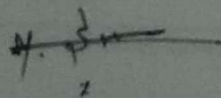
Director
Zeeshan

Karachi
April 23, 2021

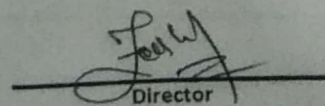
GROWTH SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT March 31, 2021

	Note	2021 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVE		
Authorized Share Capital		
10,000,000 Ordinary shares of Rs. 10/- each		<u>100,000,000</u>
Issued, Subscribed and Paid up Share Capital		
10,000,000 (2016: 10,000,000) Ordinary shares of Rs. 10/- each	3	100,000,000
Unappropriated profit		457,438,210
		<u>557,438,210</u>
Capital reserves		-
		<u>557,438,210</u>
Non - Current Liabilities		
Loan from director		92,800,000
Current Liabilities		
Creditors, accrued and other liabilities	4	53,417,852
Short term loan from director		47,450,000
Bank overdraft	12.1	-
		<u>751,106,062</u>
ASSETS		
Non - Current Assets		
Property, plant and equipment		36,539,268
Intangible	5	2,500,000
Investment in PIBs	6	899,146
Long term deposits	7	1,500,000
Current Assets		
Trade debts (including Margin Finance Amount)	8	176,198,262
Advances, deposits, prepayments and other receivables	9	179,121,581
Loans and advances	10	764,000
Investment	11	330,421,373
Investment in MCB Cash Management		-
Cash and bank balances	12	23,162,432
		<u>751,106,062</u>

The annexed notes form an integral part of these financial statements.


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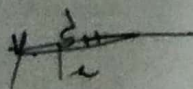
Chief Executive Officer


Director

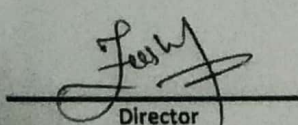
GROWTH SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED March 31, 2021

	Note	2021 Rupees
Commission income		23,361,352
Operating expenses	13	(33,526,716)
Operating (loss)		(10,165,364)
Financial and other charges	14	(1,998,798)
Other income	15	182,782,701
Profit before taxation		170,618,540
Taxation		
- Current		(805,769)
- Prior		(805,769)
Profit for the year		169,812,771
Earnings per share		16.98

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director

GROWTH SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND OPERATIONS

1.1 The Company was incorporated in Pakistan on February 24, 2005 as a Private Company limited by shares under the Companies Ordinance, 1984. The registered office of the Company is situated at Room No. 82 to 83, 2nd Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the company is to carry on the business of stock, brokerage, underwriting and investment etc.

1.2 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These financial statements have been prepared under the 'historical cost convention'.

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates / judgments and associated assumptions used in the preparation are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates / judgments / assumptions will, by definition, seldom equal the related actual results. The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods.

2.2 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Company Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Company Ordinance, 1984. Wherever the requirements of the Company Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Company Ordinance, 1984 or the requirements of the said directives shall prevail.

2.3 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, in accordance with the provisions of the Income Tax Ordinance, 2001.

2.4 Trade and other Debts

Trade and other debts are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

2.5 Trade and Other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.6 Provisions

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances and bank deposits. Cash and cash equivalents are carried in the balance sheet at cost.

2.8 Revenue Recognition

Sales and purchases of securities are recognized on the date of contract. Capital gain or loss on sale of marketable securities is taken to income in the period in which it arises.

Brokerage and other income is accrued as and when due.

2.9 Investments

Investment at fair value through profit or loss

Investment classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investment are measured at fair value with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investment is determined on the basis of prevailing market prices.

Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

2.10 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account, currently.

3. SHARE CAPITAL

2021
Rupees

Authorized Share Capital

Number of Shares
12-Jul-05

10,000,000

Ordinary shares of Rs.10/- each

100,000,000

Issued, Subscribed and Paid-up Share Capital

3.1 Pattern of shareholding

Name of Shares holders	Percentage	Number of Shares
- Muhamamd Shahid	51.000%	5,100,000
- Muhamamd Iqbal	48.995%	4,899,500
Zeeshan	0.005%	500
	<u>100%</u>	<u>10,000,000</u>

4. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	17,549,516
Accrued expenses and other payable	34,124,497
Payable NCCPL	-
Other Liabilities:	
- Sindh sales tax and withholding tax	1,743,839
	<u>53,417,852</u>

5. INTANGIBLE	Note	2021 Rupees
Trading rights entitlement certificates	5	2,500,000
		<u>2,500,000</u>

5 Pakistan Stock Exchange Limited vide their letter dated 08 August 2017 has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs. 2.5 million.

6. INVESTMENT IN PIBS	Note	2021 Rupees
Investment in Pakistan Investment Bond securities		899,146
		<u>899,146</u>

7. LONG TERM DEPOSITS	Note	2021 Rupees
CDC deposit		100,000
NCCPL deposit		1,200,000
PSX deposit		200,000
		<u>1,500,000</u>

8. TRADE DEBTS		
Debtors Unsecured - considered good		145,363,179
Receivables against margin finance		30,835,083
		<u>176,198,262</u>

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax	31,570,499
Deposit into NCCPL against exposure	41,700,000
Deposit against sale of PSX Shares	-
PSX deposit BMC maintenance	-
Prepayments/Staff Advance	120,000
Dividend receivable	35,488
Receivable from PSX/NCCPL	105,695,594
Other receivables	-
	<u>179,121,581</u>

10. LOANS AND ADVANCES

Staff loan

764,000

764,000

11. INVESTMENT - fair value through profit and loss

Investment in listed securities

330,421,373

330,421,373

Inves

12. CASH AND BANK BALANCES

Cash in hand

116,930

Cash at banks:

- Current accounts

3,460,076

- Saving accounts

19,585,426

23,162,432

12.1

12.2 Bank Overdraft

-

13. OPERATING EXPENSES

Note

2021
Rupees

Salaries, wages and benefits

13.1

27,503,717

Repair and maintenance

378,455

Travelling and conveyance

452,797

Utility charges

800,341

Entertainment

896,361

KSE charges

378,229

Printing and stationery

122,498

Professional charges

287,665

Computer and software expenses

1,956,826

Annual Membership and other Fees

40,000

Miscellaneous expenses

189,712

Insurance Expense

412,088

Medical Expense

75,000

Nadra Verisys

5,840

Audit Fee

27,187

33,526,716

13.1

14. FINANCIAL AND OTHER CHARGES

Bank charges

626,279

Mark-up on bank overdraft

1,372,519

1,998,798

15. OTHER INCOME

Realized gain on investment in shares

173,198,450

Unrealized (loss) / gain on revaluation of investment

(2,723,448)

Interest on bank deposits

695,199

Dividend income

5,371,798

Gain on future exposure

2,129,711

Premium on MF

3,065,788

Gain / (Loss) on Investment Mutual Fund/PIB

964,689

Other income

80,514

182,782,701

16. EARNINGS PER SHARE

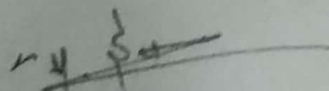
Profit after taxation	169,812,771
Number of ordinary shares	10,000,000
Earnings per share	<u>16.98</u>

17. CASH AND CASH EQUIVILENT

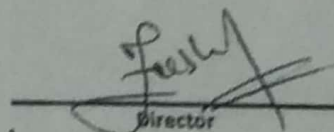
	2021
	Rupees
Cash and bank balances	23,162,432
Bank overdraft	-
	<u>23,162,432</u>

18. CAPITAL ADEQUACY LEVEL

Total Assets	751,106,062
Less: Total Liabilities	(193,667,852)
Revaluation reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	<u>557,438,210</u>



Chief Executive Officer



Director